



DATE: September 1, 2009

TO: Commissioner Greg Drees
Commissioner Richard Francisco
Commissioner Elizabeth Garst
Commissioner Tammi Kircher
Commissioner Janelle Rettig

FROM: Michelle Wilson, Project Manager, Honey Creek Resort State Park (HCRSP)

RE: Honey Creek Resort State Park July 2009 Operation Income Statements and Construction Update

Enclosed you will find Central Group Companies Inc.'s operations income statement for the month of July 2009 as received by the Department on August 31, 2009.

Food and Beverage

In June, Central Group Companies Inc. reported that there were 16482 covers served, up from 11,854 covers in June and higher than budgeted. Food and Beverage revenue in July was \$77,353 lower than projected, but expense savings made up 82% of the loss.

Occupancy

May 2009

	Iowa Market	Regional Market	Honey Creek RSP		FY10 Pro Forma	
			Lodge	Cabin	Lodge	Cabin
Occupancy	61%	60.7%	70.88%	85.60%	72.20%	89.90%
Average Daily Rate	\$71.63	\$150.03	\$121.14	\$303.15	\$125.00	\$285.00

Preliminary reports received from Central Group Companies, Inc. show occupancy for August in the lodge at 70.29 percent and cabin occupancy 79.49 percent with 69.6 percent and 70.2 percent respectively in the 2010 pro forma.

Sales and Marketing

Central Group Companies partnered with the State Parks Bureau on the State Fair display. The theme for this year was "winter wonderland" focusing on utilizing state parks and the resort park this upcoming fall and winter. The sales and marketing group has had a lot of discussion on website changes for the resort pages. New pages and layout will be coming on-line in September. This should make the site easier to navigate for our customers. Meetings are also arranged with the tourism departments in each county to discuss partnering opportunities and cross promotion.

The Preserve

For July, golf is again under for the month on revenue by \$73,021. Marketing staff continue to work with the Department on additional promotions for golf.

Construction

Rathbun Lake reached normal pool the week of August, 17th and plans are progressing to initiate work on the boat ramp. Currently with the heavy rain the week of August 24th, the lake raised 4 foot in 3 days. This should go down again in a short time unless we receive additional rain.

The Hansen Company, WICKS Construction, and TSP disassembled and pushed the docks farther out into Ham Creek. The Department is awaiting the shoreline design changes from TSP so that that work can be completed this fall. The docks are accessible by visitors in their current configuration.

There are only two components to the trail that have yet to be completed, the trail down to the beach area and the loop trail at the entrance. All other trail work has been completed.

The playground equipment in the day-use area has been installed and the rubber material has been placed in time for Labor Day weekend. There are two concrete sidewalk areas that will be poured after the holiday.

Honey Creek Resort State Park
Project Budget

Budget Category		Source of Funds				Total	Expended to Date	Balance Remaining	Total						
		General Honey Creek	MFT	P & I											
Non-Construction Expenses															
Pre Bond Expenses from 2002/2003 appropriation		\$	1,850,000.00			\$	1,850,000.00	\$	1,849,838.00	\$	162.00	\$	1,850,000.00		
Staff, misc. expenses		\$	1,050,000.00			\$	1,050,000.00	\$	1,080,540.36	\$	(30,540.36)	\$	1,050,000.00		
Architecture & Engineering		\$	3,492,729.00			\$	3,492,729.00	\$	3,328,848.78	\$	163,880.22	\$	3,492,729.00		
Art Project		\$	225,000.00			\$	225,000.00	\$	191,565.00	\$	33,435.00	\$	225,000.00		
Legal		\$	150,000.00			\$	150,000.00	\$	187,650.86	\$	(37,650.86)	\$	150,000.00		
Preopening Compensation		\$	958,936.00			\$	958,936.00	\$	993,366.94	\$	(34,430.94)	\$	958,936.00		
Construction Packages															
Golf Course & Grading *		\$	5,645,961.65	\$	46,702.61	\$	1,242,334.03	\$	6,934,998.29	\$6,934,998.29	\$	-	\$	6,934,998.29	
Golf Buildings		\$	799,587.00					\$	799,587.00	\$773,145.80	\$	26,441.20	\$	799,587.00	
Lodge Base Bid	\$	19,340,000.00													
Approved Change Orders (Including Hardscape)	\$	1,409,011.00													
Total Lodge Package		\$	20,749,011.00				\$	20,749,011.00	\$20,342,367.81	\$	406,643.19	\$	20,749,011.00		
Sewer System and Lagoon		\$	1,421,634.00	\$	403,361.00		\$	1,824,995.00	\$1,200,262.27	\$	624,732.73	\$	1,824,995.00		
Docks		\$	-	\$	435,300.00		\$	435,300.00	\$374,927.15	\$	60,372.85	\$	435,300.00		
Roads and Parking		\$	1,212,104.10	\$	757,677.92	\$	4,614,384.98	\$	6,584,167.00	\$6,659,317.56	\$	(75,150.56)	\$	6,584,167.00	
Landscaping and Signs		\$	138,875.00				\$	138,875.00	\$78,633.50	\$	60,241.50	\$	138,875.00		
Cabins Base Bid	\$	5,058,000.00								\$	-	\$	-		
Alternate 1 - Geothermal	\$	218,000.00													
Alternate 2 - Concrete pads	\$	23,100.00													
Approved Change Orders	\$	110,100.00													
Total Cabin Package		\$	5,409,200.00				\$	5,409,200.00	\$5,143,967.33	\$	265,232.67	\$	5,409,200.00		
Activity Building		\$	350,000.00				\$	350,000.00		\$	350,000.00	\$	350,000.00		
Playground		\$	200,000.00				\$	200,000.00	\$9,557.00	\$	190,443.00	\$	200,000.00		
Beach		\$	200,000.00				\$	200,000.00		\$	200,000.00	\$	200,000.00		
Equipment and Furnishings															
Golf Course Equipment *		\$	464,315.40				\$	464,315.40	\$464,315.40	\$	-	\$	464,315.40		
Experience Plan - Interpretation		\$	50,000.00				\$	50,000.00	\$48,950.12	\$	1,049.88	\$	50,000.00		
Lodge FFE *		\$	3,025,339.63				\$	3,025,339.63	\$3,028,259.37	\$	(2,919.74)	\$	3,025,339.63		
Lodge FFE Design *		\$	268,258.34				\$	268,258.34	\$268,258.34	\$	-	\$	268,258.34		
Cabin FFE		\$	732,513.17				\$	732,513.17	\$733,713.12	\$	(1,199.95)	\$	732,513.17		
Contingency and Bond Requirements															
Change Orders & Contingency	\$	-													
Change Orders & Contingency - Cabins	\$	-													
Total Change Orders & Contingency		\$	-				\$	-		\$	-	\$	-		
Operating Reserve Fund		\$	500,000.00				\$	500,000.00	\$211,538.28	\$	288,461.72	\$	500,000.00		
Additional Operating Contingency (First Bond Payment due 6/1/09)		\$	753,743.00				\$	753,743.00	\$705,945.86	\$	47,797.14	\$	753,743.00		
Total Expenditures		\$	49,647,207.29	\$	1,643,041.53	\$	5,856,719.01	\$	57,146,967.83	\$	54,609,967.14	\$	2,537,000.69	\$	57,146,967.83
Source of Funds															
Appropriations (pre-FY09)		\$	5,500,000.00				\$	5,500,000.00							
Appropriations (FY09)		\$	8,000,000.00				\$	8,000,000.00							
Bond Proceeds		\$	28,000,000.00				\$	28,000,000.00							
Other (interest)		\$	1,801,399.83				\$	1,801,399.83							
Appanoose County		\$	357,250.00				\$	357,250.00							
Monroe County		\$	357,250.00				\$	357,250.00							
Rathbun Lake Resort, Inc. (RLR)		\$	1,535,500.00				\$	1,535,500.00							
SWAP/Waste Tire Funds		\$	200,000.00				\$	200,000.00							
EPA Funds for bioretention		\$	100,000.00				\$	100,000.00							
FY07 Grow Iowa Values Fund		\$	1,000,000.00				\$	1,000,000.00							
FY08 Grow Iowa Values Fund		\$	1,000,000.00				\$	1,000,000.00							
FY09 Grow Iowa Values Fund		**	811,000.00				\$	811,000.00							
FY10 Grow Iowa Values Fund (Contingent)		**	900,000.00				\$	900,000.00							
Marine Fuel Tax				\$	1,643,041.53		\$	1,643,041.53							
Parks & Institutional Roads						\$	5,856,719.01	\$	5,856,719.01						
Total Funding		\$	49,562,399.83	\$	1,643,041.53	\$	5,856,719.01	\$	57,062,160.37						
Variance		\$	(84,807.46)	\$	-	\$	-								

Source: Budget and Finance Bureau
9/1/2009

Source: Budget and Finance Bureau
9/1/2009

Honey Creek Resort State Park

Project Budget

In-Kind Matching

Rathbun Regional Water Association	\$928,000
Chariton Valley Electric Cooperative	\$877,170
Iowa Telecom	\$250,000
Total In-Kind Matching	\$2,055,170